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REAL ESTATE APPRAISERS

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STATE OF NEW JERSEY
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS
NEW JERSEY STATE BOARD
OF REAL ESTATE APPRAISERS

IN THE MATTER OF THE SUSPENSION :
OR REVOCATION OF THE LICENSE OF :

THEODORE DELEN
License #RA00218900

TO ENGAGE IN REAL ESTATE
APPRAISING IN THE STATE
OF NEW JERSEY



This matter was opened to the New Jersey State Board of Real Estate Appraisers ("the Board") in connection with the Board's receipt of information regarding an appraisal of residential property at 67 Gerard Avenue, East Orange, New Jersey dated June 8, 2005. The Board finds that respondent has acted in violation

of the Conduct Section and the Recordkeeping Section of the Ethics Rule of the Uniform Standards of Professional Appraisal Practice ("the USPAP"), as well as of Standards Rule 1-1(a), (b) and ©,) subjecting respondent to sanctions pursuant to N.J.S.A. 45:1-21 (b)(e) and (h) based on the following:

a) The appraisal report indicated that the current owner of the subject property was "Arocho," however, Urban Carter was the actual owner of the subject on the effective date of the appraisal, and did not transfer the subject property to "Arocho" until August 8, 2005, which was recorded on August 16, 2005. Moreover, at the time respondent prepared the report, he was in possession of information in his work file which indicated that the subject's owner was Urban Carter;

b) Although respondent believed there had been a sale of the subject from Urban Carter to Arocho prior to the date of the report, the report did not indicate this; instead, the report affirmatively stated that a review of multiple listing service and tax records did not show the subject had been sold or listed over the previous 36 months, except for a prior transfer of the subject in 2002; moreover, Standards Rule 1-5 of the USPAP would have required respondent to indicate the existence of such a sale of the subject within the three years prior to the date of the report;

c) Respondent's statement in the report that the subject had

not been listed for sale within the prior three years was misleading, in that it was listed for sale for \$175,000 in March of 2003;

d) After having completed the appraisal report, in August of 2005, respondent was asked to change the rental information in the report; respondent changed the information based upon having viewed a copy of a lease of the subject property dated January 15, 2005, signed by Delilah Arocho as the owner of the subject, although respondent admitted to having knowledge that as of January of 2005, "Arocho" was not the owner of the subject; moreover respondent could not explain the source of the lease agreement, other than stating that "it came on the fax machine" and must have come from Countrywide Loans; yet despite respondent's sketchy knowledge of the source of this document, which could not have been valid (since Ms. Arocho did not own the property or have any legal authority to sign a lease of the property in January of 2005), respondent changed the appraisal report to reflect the information in that lease agreement;

e) Respondent initially appraised the subject at \$317,000, but raised the value conclusion in reliance upon three allegedly comparable listings, which were not closed sales; unclosed listings may be appropriately used to support the selection of other, closed sales as comparables, but not in preference to closed sales. This is evidenced by the fact that the unclosed

listings used by respondent ultimately either failed to close, or closed at significantly less than the listing price;

f) Respondent failed to include in his workfile copies of the printouts of the multiple listings upon which respondent relied in selecting comparable sales;

g) Respondent's report contained the following errors of omission or commission in addition to those already specified: respondent indicated that comparable sale #1 had two bedrooms on the first floor, when the information source indicated in the report only indicated one bedroom; respondent used a three family residence as a comparable sale for the subject, a two family residence; respondent indicated that comparable sale #2 had 2700 square feet, while the property record card indicated 4,068 square feet; respondent indicated that comparable sale #3 had 2200 square feet, when the property record card indicated it had 4103 square feet; respondent described comparable sale #3 as in average condition, when the MLS information upon which the report indicated respondent relied stated that the property was totally remodeled.

Pursuant to N.J.A.C. 13:40A-6.1, the above violations of the USPAP subject respondent to sanctions pursuant to N.J.S.A. 45:1-21 (b), (e) and (h).

In order to resolve this matter without further proceedings, and without admissions, and the Board finding that the within

Order is sufficiently protective of the public, and for other good cause shown,

IT IS ON THIS 20th DAY OF September, 2007,

HEREBY ORDERED AND AGREED THAT:

1. A one year suspension is hereby imposed upon respondent, ninety (90) days of which are to be actively served, and the remainder to be served as a period of probation. The period of active suspension shall begin fifteen (15) days following the filing of the within Order. During the course of respondent's active suspension, respondent shall adhere to the requirements of N.J.A.C. 13:40A-7.9.

2. Respondent shall pay a civil penalty in the amount of \$5000.00 for his violation of N.J.S.A. 45:1-21(e) and (h), as well as costs to the Board in the amount of \$402.00, for a total amount due of \$5,402.00. Payment shall be made in the form of a certified check, money order, or attorney trust account check made payable to the State of New Jersey. Payment shall be due upon the submission of this signed Order.

NEW JERSEY STATE BOARD
OF REAL ESTATE APPRAISERS

By:

Stephen P. Giocondo
Stephen P. Giocondo
Board President

Theodore Delen
Theodore Delen

Date:

July 24, 2007